

MAYOR AND COUNCIL STRATEGIC FOCUS AREA SUBCOMMITTEE
RIO NUEVO/DOWNTOWN, ARTS, CULTURE AND HISTORY
ADMINISTRATIVE ACTION REPORT AND SUMMARY
July 27, 2006

COUNCIL MEMBERS PRESENT: Council Member Nina Trasoff, Subcommittee Chair, Ward 6
Council Member Jose Ibarra, Ward 1
COUNCIL MEMBER ABSENT/EXCUSED: Vice Mayor Steve Leal, Ward 5

STAFF LIAISON: Greg Shelko, Rio Nuevo Director

AGENDA ITEM/MAYOR AND COUNCIL ACTION	STAFF ACTION
<p>1. Call to Order</p> <p>Chair Trasoff called the Subcommittee meeting to order at 5:07 p.m. The meeting was held at the Ward 6 Council Office, 3202 E. 1st Street, Tucson, Arizona.</p>	
<p>2. Museum of Contemporary Art (MOCA)</p> <p>In August 2004, MOCA entered into a rental agreement with the City of Tucson. The two buildings occupied by MOCA (174 and 191 E. Toole Avenue) are owned by ADOT and the City has management rights. Properties will be released by ADOT once Barraza-Aviation Parkway alignment issues are resolved. The properties occupied by MOCA require a significant amount of health and safety repair, maintenance and improvements. Currently, they pay \$550/month in rent. In lieu of paying rent, it is proposed that they invest those funds in capital improvements. This benefits MOCA, it benefits the City of Tucson because it may ultimately become a City asset, and, it benefits the Warehouse Arts District by preserving a destination place.</p> <p>Staff hopes to be able to bring the amendment to the full Mayor & Council for approval the first week in September.</p> <p>Council Member Ibarra made a motion for staff to work with the City Attorney on an amendment to the Extended Occupancy Agreement that would permit MOCA to invest monthly rent payments in health and safety repairs, and capital improvements to the properties located at 174 and 191 East Toole Avenue. Chair Trasoff seconded the motion. The motion passed unanimously (2-0).</p> <p>Anne-Marie Russell, Executive Director for MOCA was present and briefly talked about the museum's impediments and their desire for a long-term lease agreement.</p>	<p><u>REAL ESTATE & CITY ATTORNEY</u> are responsible</p>
<p>3. Development Incentives</p>	

AGENDA ITEM /MAYOR AND COUNCIL ACTION

STAFF ACTION

Staff reported that creation of an Infill Incentive District is critical at this time because the real estate market is softening, downtown still carries a lot of risk for developers, and there is still apprehension in the private sector concerning long-term and sustained growth of downtown.

ARS 9-499.10 Infill Incentive District allows a governing body of a city or town to designate an infill incentive district in an area in the city or town that meets at least three of the following requirements:

1. There is a large number of vacant older or dilapidated buildings or structures
2. There is a large number of vacant or underused parcels of property, obsolete or inappropriate lot or parcel sizes or environmentally contaminated sites.
3. There is a large number of buildings or other places where nuisances exist or occur
4. There is an absence of development and investment activity compared to other areas in the city or town.
5. There is high occurrence of crime
6. There is a continuing decline in population.

If the governing body establishes an Infill Incentive District, it can adopt an Infill Incentive Plan to encourage redevelopment in the district. The plan may include:

1. Expedited zoning or rezoning procedures.
2. Expedited processing of plans and proposals.
3. Waivers of municipal fees for development activities as long as the waivers are not funded by other development fees.
4. Relief from development standards.

The statute was approved as part of the Growing Smarter Legislation in 1999 and the provision fits into the larger strategy the City has to improve the development environment in the downtown area.

The City has already taken some steps to improve the investment and regulatory environment downtown. In 2002, the Rio Nuevo Overlay Zone was adopted in recognition that the downtown regulations should be different than the rest of the community. The City also modified its building code to allow for more flexibility especially in older existing buildings. This helps property owners and developers with respect to the costs of renovating exiting structures. In 2002, development incentives were passed to complement that. More recently the Mayor and Council adopted revisions to the Land Use Code allowing modifications to development regulations in the downtown area that provides greater administrative flexibility.

AGENDA ITEM /MAYOR AND COUNCIL ACTION

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Implementing an Infill Incentive District is an essential ingredient for revitalizing downtown and also downtown gateways (for example 4th Avenue, the Warehouse Arts District, and the Stone, Main and South 6th Avenue Corridors).

The City of Tucson would not be the first jurisdiction to do this. Peoria, Apache Junction and Sierra Vista have developed downtown incentive districts for the same reasons staff is considering it.

Staff is seeking direction from the subcommittee to work with downtown stakeholders to define a boundary for the Infill Incentive District. It is anticipated that the Subcommittee could consider the proposed boundary on August 24th, and, that the full Mayor and Council could consider the Infill Incentive District in September.

Council Member Ibarra commented that zoning and rezoning slow down development and gave The Post as an example. It will take two years before it can open its doors. He suggested the City of Tucson be able to rezone its own property. If the City is going to be marketing property like the Franklin block, former Greyhound property, The Post, and Presidio Terrace, the City of Tucson should be able to rezone it's own property to speed-up the process. He warned that the City would have to follow a public process. Mr. Elias said it could be added as part of the development agreement; however, some projects are in a critical point right now, and they may want to be included as well.

Chair Trasoff inquired if projects like The Post could be included retroactively since their development agreement has already been approved? Mr. Elias responded yes. He's heard from downtown stakeholders that this would ensure timeliness and certainty. Chair Trasoff directed staff to include 4th Avenue and the Warehouse Arts District as part of the stakeholders for this process.

Council Member Ibarra made a motion for staff to work with the downtown stakeholders and return to the next subcommittee meeting with a boundary map for the Infill Incentive District. Chair Trasoff seconded the motion. The motion passed unanimously (2-0).

URBAN PLANNING
& DESIGN
DIRECTOR &
ZONING
EXAMINER
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4. Project Updates

El Presidio de Tucson – Differences regarding an entry wall made of modern material versus a more historic entryway made with traditional material are near resolution. Consensus was reached on a third alternative that calls for construction of a portal with a movable grill/gate for security purposes and the contractor has been directed to proceed with the design of the third alternative.

San Agustin Mission Complex – Early design is underway. Burns Wald-Hopkins and the consultant team met with community members, the Arizona State Museum and Arizona Historical Society on August 25 and 26. The team made significant progress regarding information sharing, defining the project’s mission, getting a handle on technical issues and generating interest and excitement on the part of the community. A number of different partners are working together and the project needs the support and active participation of the community in order for it to succeed. Two more meetings are scheduled for August 22 and 23. The meeting on August 23rd will be an Open House for the whole community.

Congress Street Master Plan and Ronstadt Transit Center Study – Staff will be scheduling this item for the subcommittee agenda on August 24. They will recommend to the subcommittee that they direct them to start working with the downtown stakeholders on getting consensus regarding one-way vs. two-way traffic downtown and working toward final approval of the streetscape improvement plan and development of a schedule for implementation.

Affordable Housing – Staff will schedule this item for the subcommittee’s discussion in September.

Depot Plaza – Staff may schedule this item for the subcommittee’s discussion on August 10. Staff is working with new private developer team members. New site plan options will benefit both the city and private development partners and may be more satisfactory to the downtown stakeholders.

Rialto Theatre – Chair Trasoff announced that she toured the theatre last week. The air conditioning unit is keeping the building cool and she reported that they have started renovating the second floor of the building.

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COMMUNITY
SERVICES
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AGENDA ITEM /MAYOR AND COUNCIL ACTION

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5. Call to the Audience

Michael Toney reiterated his views regarding:

- Proposition 400;
- Regional Transportation Plan;
- University of Arizona Science Center;
- TIF figures being underestimated;
- sewer and infrastructure problems in the downtown area;
- need for a new hotel downtown; and
- large number of vacant buildings downtown.

6. Future Agenda Items

No future agenda items were added at this time.

7. Adjournment

The meeting was adjourned at 5:39 p.m.
